transaction set) is not in accordance with release 6 of the TCIF Guideline for EDI. The guideline states that the RBOC should acknowledge the changes using the Purchase Order Change Acknowledgment (865 transaction set). Ameritech is using the Purchase Order Acknowledgment (855 transaction set) to acknowledge the change. "Contrary to all other ILEC requirements, Ameritech's specifications for 850 transactions for reseller contact name and telephone number notes that, while this segment is optional in TCIF documentation, it is mandatory for Ameritech orders," and "[t]hus, failure to place an entry in this field will cause an Ameritech rejection." [Connolly-S at 13-14]

More generally, a CLEC must "work[] with each of the RBOCs across the country to develop OSS interfaces to accommodate differences in each system," and "the lack of clear, firmly established national guidelines makes this a highly complicated and extremely challenging undertaking for all parties involved, even under the best of circumstances." [Connolly-S at 10]

Finally, there does not appear to be a single ILEC that has made the changes necessary to allow for parity of access to their OSS when it comes to billing data for terminating access charges. As a result, the ILECs currently can capture for themselves all the information needed to bill all originating and terminating access minutes to the IXCs on a timely and accurate basis, but they cannot provide the equivalent information to the CLECs.

2. *Specific Illustrative Failures of the ILECs*

What follows is by no means a complete description of the failures by the ILECs to provide the CLECs with adequate, nondiscriminatory access to their OSSs. Rather, what follows is merely illustrative of such failures. And whatever minimal progress has been made in the resale environment, even less progress has been made in the unbundled network element or platform environment.*

a. Ameritech's Failures

i. Issues with Electronic Interfaces

LCI currently is working with Ameritech to test and implement the EDI guidelines Version 6 for the ordering electronic interface in the resale environment. However, LCI has received no assurances from Ameritech that the anomalies encountered in the manual environment will be corrected in the electronic environment; rather, they may occur in higher volumes. Likewise, "despite repeated requests" from TCG Detroit, operational electronic interfaces "have not been made available to TCG Detroit" and Ameritech has not provided a date when electronic interfaces will become generally available [TCG Comments at Pelletier Affidavit ¶ 8]

To date, LCI has numerous customer-impacting anomalies that have been open for several months and are still unresolved. Ameritech has not provided LCI with manual procedures or electronic methods of ordering these anomalies so that no customer impacts result,

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* We recognize that the ILECs, some to a more and some to a lesser extent, are continuing in their efforts to provide OSS access and capability, and that this is an on-going process. It therefore may be that, in some instances, there have been or will be some developments or testing that will post-date the cited reference. Of course, that does not make the cited reference wrong when given, nor does the fact of any such development or testing mean it has been proven or adequate. Indeed, taken in its entirety, the fact of such on-going efforts actually provides yet additional confirmation that, fundamentally, the ILECs recognize their current failure to comply with the Order's requirement of providing parity of OSS access to the CLECs.

such as grandfathered products and services. To date, these anomalies have required extensive staff time by LCI and Ameritech to resolve the customer related problems engendered by the anomalies. Fully implementing the electronic interface may exacerbate (rather than resolve) these problems, and neither company may have enough staff to resolve the vast number of issues that result. The EDI interface also may require repetitive order entry effort to resolve errors.

The validation process can be very time consuming. Currently (with version 5.0 of the OBF guidelines), Ameritech will return only one error message with each acknowledgment. Instead of validating the entire service request and identifying each error, Ameritech will halt the editing process when it encounters the first error. This means that LCI can make only one correction before it submits a revised request. Once the next release of the OSS gateway is implemented (version 6.0 of the OBF guidelines), Ameritech has stated its intention to provide up to 10 error messages per account and 10 error messages per line in each acknowledgment. Once EDI is implemented fully, LCI understands it will not have access or insight into Ameritech's internal systems that provide information regarding ordering and billing status. This access would allow LCI to resolve problems proactively.

Electronic interfaces do not resolve issues regarding downstream system processes or guarantee that an order has successfully navigated all the systems necessary for usage and billing information to be routed to LCI. For example, an order may complete the ordering process successfully, but fail in Ameritech's message guide system. Even though LCI may receive an EDI order completion notification, the only way LCI can identify this is by monitoring the usage or lack of usage on each individual line. Due to differing traffic patterns of various types of customers, this monitoring effort not only is after the fact, it also results in delayed customer billing. Additionally, this interface will not support the ordering of unbundled service.

Ameritech maintains a mutated EDI/ASR system for unbundled services, which does not follow EDI guidelines; it utilizes completely different communications methods and data formats. This will require LCI to build another application and gateway to submit service requests for unbundled network elements.

ii. Lack of Timely Record Reporting

Ameritech has failed repeatedly to provide LCI with call record data on a timely basis, which LCI needs to bill its end-user customers. [Marlin at 3] LCI has undertaken "an expensive and time consuming" effort to develop "the interfaces that will enable it to communicate electronically with all aspects of Ameritech's OSS," and has "established an electronic link for billing information through a network data mover known as 'Connect:Direct.'" [Marlin at 4] Nevertheless, where Ameritech should be providing this data within 24 or at most 36 *hours* after a call has been recorded at the switch, for approximately 99% of the calls made by LCI customers in Illinois, Ameritech is not providing the information to LCI concerning those calls until 3-7 *days* after the call was made. [Marlin at 6-7] And this undue delay (which results in billing delays and billing out-of-cycle) is having and will continue to have a serious adverse impact on LCI's ability to compete effectively within Ameritech's region by impacting negatively LCI's revenues and by creating confusion and uncertainty in the minds of LCI's customers. [Marlin at 8-9] And these problems continue to persist notwithstanding the repeated efforts by LCI to resolve them. [See 5/22/97 LCI Letter to Ameritech]

Timely AEBS data is critical to billing time and materials charges that are passed through to customers. Since our resale relationship began late last year, LCI has received billing data from Ameritech's AEBS system only sporadically as follows:

November data was received via tape on 1-6-97
December data was received via tape on 1-14-97
January data was received via Connect:Direct on 3-1-97
February data was received via Connect:Direct on 3-26-97
March data was received via Connect:Direct on 4-17-97
April data was received via Connect:Direct on 5-16-97

This is nowhere near parity with the availability that Ameritech has to this data, which is immediate and throughout each month. Delayed billing data from Ameritech impacts LCI's commitment to timely and accurate bills to its current and future customers. Delayed billing data also impacts LCI's ability to provide billing at parity with Ameritech.

iii. Lack of Operational Readiness

AT&T has made substantial efforts to obtain access to Ameritech's OSS. It too has concluded that Ameritech's proposed OSS interfaces are not yet operationally ready to support local service market entry at reasonable volume levels such as those planned by AT&T. [See AT&T Supplemental at 6 (The "evidence conclusively demonstrates that, despite Ameritech's repeated assurances to the contrary, Ameritech's OSS are not yet operationally ready and Ameritech is not yet providing CLECs with access to its OSS that is nondiscriminatory")] The specifications for Ameritech's proposed pre-ordering, ordering, and provisioning interfaces for resale have been repeatedly revised over the last few months, and many of them are still being revised, clarified or refined by Ameritech in response to questions or problems that have come to light during AT&T's testing of the interfaces. [See Illinois Proposed Order at 24 ("the evidence demonstrates that the specifications for the electronic interfaces are being continually updated and revised by Ameritech, making it difficult for CLECs to design their interfaces to be compatible with those of Ameritech")]

As AT&T, after reviewing carefully Ameritech's supplemental filings in Illinois that asserted that the record of its dismal OSS progress had become "out of date," very recently explained in detail why Ameritech's assertion was wrong: (i) "CLEC orders are still being improperly rejected or 'back logged' as they await processing and internal system defects are producing customer-impacting snafus that range from delayed provisioning to double-billing" [AT&T Supplemental at 3]; and (ii) "Ameritech's actual OSS performance data, which conclusively demonstrates that Ameritech's processing and support of CLEC orders is substantially inferior to the support provided to the Ameritech retail world" [AT&T Supplemental at 3-4]. More specifically, it has been show that:

(i) "Ameritech's OSS ordering and provisioning performance during the first quarter of 1997 amply demonstrates that Ameritech is not yet able to support competitive market entry in a stable, reliable and nondiscriminatory manner" [AT&T Supplemental at 8 & cited evidentiary support, including Connolly testimony ("despite the simplicity of the orders, AT&T's orders consistently were subjected to unreasonably high rejection rates, unjustified delays in processing, and unacceptable levels of manual intervention," resulting in "over 40% of AT&T's orders [being] late")];

(ii) there is "clear evidence that manual intervention -- particularly at the levels utilized by Ameritech -- causes delay in processing" and a "growing backlog problem" [AT&T Supplemental at 9-11 (discussing in detail the evidence, including a summary of reported data, regarding the processing of orders and 855 backlog problems, including an unduly long response time because "these orders were sitting on an Ameritech service representative's desk waiting to be entered into Ameritech's systems"; noting also "the high percentage of orders that Ameritech is subjecting to manual processing, which for the month of April rose to approximately 44% of all EDI orders submitted by CLECs" and "March orders from resellers offering business services . . . required manual intervention approximately 80% of the time")];

(iii) there is a "very real" "problem" of "double billing" as a result of "the failure of two internal Ameritech systems to communicate correctly with each other" and "[t]he only question is how many of AT&T's customers have been affected" [AT&T Supplemental at 12];

(iv) "Ameritech has also not yet resolved the 1P and 3E errors that continue to haunt its systems" and "create substantial order processing delays" [AT&T Supplemental at 13 ("3E errors have caused 1,300 CLEC orders to stay in Ameritech's ACSI internal Legacy System for over 3 months"; noting also that

Ameritech's witness [Rogers] "dismisses these errors as the expected consequence of system operations")]; and

(v) "[t]he supplemental evidence regarding Ameritech's repair and maintenance interface also demonstrates that Ameritech's conclusory assurances of operational readiness cannot be accepted" [AT&T Supplemental at 16 (explaining in some detail the various such problems ignored by Rogers)].

And for a further detailed discussion of precisely why Ameritech's OSS supplemental submission in Illinois does not hold up, see AT&T Supplemental at 17-20 (discussing the Andersen Review) and 20-22 (discussing the Forester testimony). In short, "Ameritech presented no evidence to overcome the deficiencies previously noted in Ameritech's parity reporting proposals," which "are still at a level so superficial as to render the reported data meaningless." [AT&T Supplemental at 22-23]

As MCI also has explained, "it is clear that [Ameritech Michigan's] operation support systems are not fully tested and operational in the marketplace." [MCI Response at 8] Even in "the one area where it appears that its operations support systems have been tested, i.e., the ordering for resale, it appears that the testing has been fraught with errors," and "there has been very little if any testing or use of the operations support systems for ordering unbundled network elements." [MCI Response at 8] "[T]he bottom line is that Ameritech Michigan has simply not demonstrated that these systems, which are absolutely critical to the development of effective competition, are fully tested and operational in the marketplace in Michigan." [MCI Response at 9] MCI has found similar shortcomings of Ameritech in Illinois as well. [See Miller-S at 7-8, 10-11, 14 (discussing various defects in Ameritech's OSS, including: the high level of manual intervention; "in a number of migration orders (i.e., transferring an existing Ameritech customer to MCI), certain features on such customers' accounts were unexplainedly dropped" and "other features were mysteriously added"; "the poor design and inability for Ameritech's systems to recognize errors on either side" make them "really deficient in their ability to detect and respond

to any problems"; and "Ameritech uses the ASR interface for firm order confirmation but does not employ -- and apparently does not even intend to employ -- any form of automated interface for the other two functions," which "is totally unsatisfactory")]

Sprint analyzed Ameritech's OSS capabilities in Wisconsin and Illinois. It explained that: (i) "while Ameritech has provided specifications for electronic interfaces to their ordering, provisioning, and maintenance systems, they are only testing their Pre-order interface with one small carrier and no carrier is interfacing with them using their proposed interface for Trouble Reporting"; (ii) Sprint was told when it visited the Ameritech site that it "would not be able to view the Pre-Order process in operation because it was still in the 'beta' test phase and not currently being used or supported by the operations team" and determined that Ameritech's Pre-order process is not in fact operational at this time"; and (iii) Ameritech has taken the position that "since they were required by the FCC to provide electronic interfaces by January 1, 1997, they should not be required to support manual interfaces, especially with a company the size of Sprint," as a result of which Ameritech "refused" Sprint's "request for support of an interim manual interface." [Reeves-M at 2-3 (discussing Wisconsin); see also Reeves-S at 3-4, 9-10, 20 (explaining similar shortcomings of Ameritech in Illinois, including: Ameritech's lack of operationally ready interfaces, which "have not been proven to provide parity with Ameritech's own retail division"; Ameritech's deployment of non-standard or "hybrid" EDI service ordering interfaces; "Ameritech's proposal for an application-to-application maintenance and repair interface is not currently being used by any of the CLECs operating within the Ameritech region," as Ameritech (Rogers) concedes, and Ameritech's "maintenance and repair processes involved in local service, both resale and through the purchase and provisioning of unbundled elements, vary significantly from the access arena," and explaining how Ameritech's

"[d]eveloping and deploying multiple versions of operational interfaces will negatively impact market entry by requiring increased development cost and extended time lines simply to meet the customized solutions defined by Ameritech")]

Ameritech's progress in Wisconsin has been perhaps even worse: "Given the present status of Ameritech's OSS interfaces, new entrants are many months from being able to effectively compete with Ameritech in the local market." [Connolly-W at 16] Specifically, "the test records indicate that many of the undetected problems would, in all likelihood, have had deleterious effects on competition and have resulted in poor customer service if the testing had, in fact, been actual service orders." [Connolly-W at 20-21 and Ex. 15 (giving specific test results)] For example, "during the testing of the resale ordering interface . . . many [over 50%] of AT&T's orders were not processed electronically (despite being delivered to Ameritech electronically), but instead were dumped from the designed processing stream and subjected to manual processing by Ameritech," which "contrary to Ameritech's claims . . . cannot be explained away by the content or complexity of the orders that AT&T submitted to Ameritech, for those orders were not unusual or complex" -- "[m]any of them were simple migration orders." [Connolly-W at 23-24] Further: (i) contrary to Ameritech's (Rogers) "claim that Ameritech's OSS interfaces for unbundled network elements have been 'up and running with "live"' customer transactions (either CLEC or IXC) for many months without system problems,' the interfaces for unbundled network elements are only in a preliminary stage of development," and "as the various 'problem logs' produced by Ameritech . . . reflect, there are numerous problems with the systems as they are currently operating" and Ameritech "has not attempted to demonstrate how these interfaces would operate if [a CLEC] were to place an order for a *combination* of unbundled elements" [Connolly-WR at 2]; (ii) "[a]lthough Ameritech asserts that

the interface for repair and maintenance is 'fully tested' (Rogers, p.10), it is clear that Ameritech is referring only to internal testing" because "[t]his interface has not been subjected to full integration testing, and . . . it is not currently being used by any CLEC" [Connolly-WR at 3]; and (iii) Ameritech (Rogers and Mickens) has not "addressed Ameritech's continuing failure to provide electronic interfaces to AT&T that would enable AT&T to offer local service to its customers through its preferred entry mode, the unbundled platform" [Connolly-WR at 4]

Ameritech's OSS progress in Ohio has been no better. Thus, "Ameritech has hurriedly thrown together untested and unproved operational support systems in a token gesture of compliance that absolutely fails to provide its local competitors with the crucial tools they need . . . to be able to operate at parity with Ameritech." [AT&T Reply-O at 10] In short:

(i) "OSS interface specifications necessary to place electronic orders with Ameritech remain highly unstable and, with respect to certain critical combinations of unbundled network elements, non-existent";

(ii) "Ameritech's OSS has still not been fully tested and shown to be operationally ready";

(iii) "Ameritech's stated intention to patch over the worst of those failings, by relying upon labor-intensive manual processing of transactions when the OSS fails to perform as promised, is error-prone, will inevitably introduce delays in the delivery of crucial customer serves, and cannot possibly meet anticipated demand levels as new entrants enter the local exchange market"; and

(iv) "Ameritech has neither demonstrated that it is providing parity of access to its competitors, nor suggested effective performance standards to measure its compliance with the statutory nondiscrimination requirements."

[AT&T Reply-O at 11]

Pointedly, there are myriad specific Ameritech OSS-related shortcomings and failures that have been identified, including:

(i) Ameritech has "conceded that it still did not have 'a commercially viable way to order'" "unbundled network elements, particularly the standard combined platform element" [AT&T Reply-O at 12 (citing Dunny at 69-70)];

(ii) Ameritech "still does not know how that ordering process would proceed, and neither of its experts on this question were able to explain how AT&T would use

the standard UNE combination platform that Ameritech is to 'make available'" [AT&T Reply-O at 12-13 (citing Dunny at 27, 129-30, 194-99)];

(iii) "Ameritech cannot even demonstrate that a single competitive provider is successfully accessing each of its interfaces," nor can Ameritech demonstrate "that it is processing a material number of transactions reliably, such that Ameritech can also process volumes of CLEC transactions equivalent to its own volumes in a nondiscriminatory manner" [AT&T Reply-O at 15]; and

(iv) "the specifications [Ameritech] provides for use of the OSS are still in a state of flux, with continuing revisions and modifications to the interfaces that competing carriers must repeatedly adapt to" [AT&T Reply at 15-16 ("Ameritech has published interface specifications for ordering resale services on *four* separate occasions since April of 1996 -- the date on which Ameritech now claims that this critical function was 'operational'" and "Ameritech has recently disclosed that it may change ["we're considering it right now"] the process for ordering some unbundled elements to EDI from ASR" [citing Rogers at 247])].

MCI's experience with Ameritech Wisconsin has been similarly plagued by Ameritech's shortcomings: "Ameritech is not operationally ready from an OSS perspective to provide interconnection, unbundled network elements, or resale in a timely, reliable, and nondiscriminatory manner, and in quantities that may be reasonably requested" -- "[A]meritech's OSS systems are patently inadequate." [Miller at 2, 17] "First, many of the interfaces Ameritech purports or promises to employ are plainly unsatisfactory to meet competitive needs because (a) the interfaces do not provide the type of interactivity that meets real competitive demands; and/or (b) they impose excessive demands on CLECs to adapt their own systems to interfaces that may prove entirely unique to Ameritech. Second, even where Ameritech's interfaces are adequate, they often cannot be deemed operationally ready. It bears emphasis that very few of Ameritech's automated interfaces are in present commercial use for the functions they are purported to support. The others have only been tested in simulated competitive trials" and Ameritech's "tests have not been nearly as successful as Ameritech claims." [Miller at 18 and Ex. 24 (chart summarizing Ameritech shortcomings); see also Miller at 20-34 (detailing the shortcomings of each function area of Ameritech's OSS for unbundled network elements) and

34-51 (detailing the shortcomings of each function area of Ameritech's OSS for resale) and Miller-SR at 2-7 (explaining in detail why "Ameritech's claims are much like looking at a huge piece of swiss cheese from a distance") "From far away, it may appear to be a solid yellow block, but when you get up close you see all of the holes" because "the more closely one scrutinizes Ameritech's OSS systems, the more shortcomings appear"; such shortcomings include: "intolerance for orders," a lack of "ability to detect and respond to any problems," and an insistence on adhering to the EDI via EAP (a pre-ordering interface developed by GE Information Systems) ("[d]espite the overwhelming rejection of the GEIS system by the rest of the industry")]

Sprint as well has found Ameritech's OSS in Wisconsin not to be operationally ready. [Reeves-W at 16] "While Sprint is evaluating [the pre-ordering] interface for its potential use, the fact that it has not be[en] adequately tested with any high volume competitor continues to place serious doubt around Ameritech's ability to handle either the volumes generated by multiple competitors simultaneously or support the highly sensitive response times required for this type of interface when dealing with on-line customer sales." [Reeves-W at 15; see also Reeves-W at 19-27 (discussing the various other functionalities where Ameritech is not offering parity of access)]

iv. Failure to Standardize

Ameritech has exacerbated the problem of adequate, nondiscriminatory access to its OSS by its deviation from industry standards. [Connolly-S at 14 ("Ameritech has been inflexible in its demands and unwilling to share its business rules")] "A good example of this is in the area of processing changes to previously issued purchase orders," where "Ameritech's design" deviates from EDI standards, which causes "problems across the interface." [Connolly-S at 14-15]

v. Lack of Measurement Plan

Beyond the interface shortcomings, Ameritech's proposals (to AT&T) for a measurement plan do not meet acceptable standards and will require substantial modification. For example, "in assessing time to repair POTS, Ameritech proposes to report only on its success rate at restoring service within a 24 hour time period, tracking '% exceeding' that stated target." [Illinois Proposed Order at 25] This, however, would not disclose disparities in average performance within the targeted range. In other words, if Ameritech customers had their service restored on average within 5 hours, and LCI customers within 20 hours, but in both instances Ameritech restored service in fewer than 24 hours 97% of the time, Ameritech would report (erroneously) that its performance as to service restoration was nondiscriminatory. [Illinois Proposed Order at 25] Ameritech also proposes not to report separately performance data between residences and businesses. By not accounting for this and other service mix differences, poor performance in individual areas will be concealed. [Illinois Proposed Order at 25]

Appropriately defined and sufficiently robust sets of measurements are crucial to demonstrating that parity of access is actually being, and continues to be, delivered by Ameritech. An acceptable measurement plan *must* do *all* of the following:

(i) support statistically valid comparisons of CLEC experience with the experience of Ameritech's own local service operations;

(ii) account for potential performance variations due to differences in service and activity mix;

(iii) monitor access to operations support systems at the interface and service levels; and

(iv) produce results that demonstrate that nondiscriminatory access is being delivered across a broad range of resold services and unbundled elements. [Pfau-S at 14-19]

Ameritech's proposals for a measurement plan meet *none* of these criteria. [Pfau-S at 15-19]

vi. The View of State Agencies

Additional shortcomings of Ameritech were pointed out by an Illinois Commerce Commission staff member, who explained that Ameritech continues to update its OSS specification manuals. [Jennings at 3] The problem is that, "[i]f Ameritech issues a revised specification manual with significant changes, then it makes the previous testing obsolete," and CLECs "will have to retest the ordering OSS to ensure that both their system and Ameritech's system are commercially functional." [Jennings at 4] And "[o]ne troubling fact of the test results is the relative number of orders [70%] processed through 'manual intervention,'" and there are no "test results between Ameritech and other carriers regarding pre-servicing ordering function utilizing Ameritech's OSS." [Jennings at 4]

As the Illinois Commerce Commission Hearing Examiner concluded, Ameritech currently is not providing CLECs with nondiscriminatory access to its OSS. And, until Ameritech presents "empirical evidence that Ameritech's OSS are operational and functional," Ameritech will not be found to be providing nondiscriminatory access to its OSS. [Illinois Proposed Order at 28] Thus, "Ameritech must ensure the connecting carriers have sufficient information of Ameritech's OSS, including working with carriers that experience rejected orders and/or orders that require manual intervention," and "Ameritech must also show that carriers are able to utilize Ameritech's OSS in a sufficient manner that will accommodate the demand of a

new LEC's services by end users." [Illinois Proposed Order at 28] In short, "[a]t this point, we are not convinced that carriers will be able to offer its services to the general public with the expectation that all service orders will be processed." [Illinois Proposed Order at 28]

After two days of hearings devoted exclusively to OSS issues, the Wisconsin Public Utilities Commission concluded unanimously that Ameritech's OSS were neither sufficiently tested nor operationally ready. [Wisconsin URR at 2-8] It found that, not only did many problems exist with Ameritech's systems, but that new problems were arising regularly, demonstrating that the systems were not stable, reliable or predictable. [Wisconsin URR at 2-8]

The Wisconsin Public Utilities Commission directed its staff to draft an order regarding Ameritech's Statement of Generally Available Terms and Conditions (SGAT). The staff's draft order (published May 5, 1997) rejected Ameritech's SGAT and its supporting testimony of Rogers, declaring "the Ameritech's Operations Support Systems (OSS) are not tested and operational." [Wisconsin Order at 14] Among other shortcomings, the order found that:

(i) "[t]roubles existed with the transaction set 865 and the firm order confirmation (FOC)" [Wisconsin Order at 17];

(ii) "evidence was lacking that in fact the interfaces perform in a manner similar to that provided to Ameritech customer service representatives" [Wisconsin Order at 17];

(iii) "Ameritech's electronic ordering interface does not now provide ordering in substantially the same time and manner that it provides ordering to itself" [Wisconsin Order at 18];

(iv) "Ameritech did not present evidence that the maintenance and repair interface would operate as expected" [Wisconsin Order at 19];

(v) "Universal service ordering codes (USOCs) had not yet been established for certain unbundled network elements or for combining unbundled network elements" and "[w]ithout such USOCs, CLECs do not have all the necessary information to place orders for unbundled network elements" [Wisconsin Order at 19]; and

(vi) "Ameritech did not present any evidence that it had a change management system complete and in place," which is "critical" because, without it, "Ameritech could potentially release upgrades and changes frequently enough to prevent the

competitors from ever having fully functional software for handling service orders or serving their customers"

[Wisconsin Order at 20]. Wisconsin DOJ Comments at 10-11 (recognizing "the Commission's accomplishment in crafting an order that includes appropriately pro-competitive findings that are based on the Commission's thorough and detailed review of Ameritch's SGAT, and notes that, while "the OSS concerns are clearly the most significant outstanding issues pertaining to the Statement," "one of the problems with Ameritech's OSS evidence was that it was supported by the testimony of witnesses who were not fully informed on the substance of their opinions at the time they offered their testimony."

vii. Conclusion

Ameritech has acknowledged that:

(i) not one CLEC currently is interacting with Ameritech on an automated basis to select due dates [Wisconsin TR at 77];

(ii) likely not one CLEC is currently interacting with Ameritech on an automated basis to select telephone numbers [Wisconsin TR at 77];

(iii) only one CLEC is interacting on automated basis to access customer service records [Wisconsin TR at 77-78]; and

(iv) no CLECs are relying on Ameritech's maintenance and repair interface to process requests for maintenance and repair automatically [Wisconsin TR at 136].

[See also Wisconsin TR at 102-30, 183-84 (discussion of additional conceded shortcomings of Ameritech's OSS, including noting of the Ameritech Log (reporting over 210 OSS troubles from 1/1/96 to 2/26/96, 10 of which were designated by Ameritech as "priority (1)" problems, meaning they were "customer impacting") and Ameritech Order Report (orders are continuing to fall out and thus require human intervention)] At the same time, Ameritech concedes that it has the ability to provide such information and services to its customers while the customer is on the line. [Wisconsin TR at 80-82]

As is obvious from the above discussion, LCI has encountered numerous problems while conducting business and interfacing with Ameritech. LCI has been meeting weekly with the Ameritech Account Manager since the fall of 1996, but never has been proactively informed of the problems encountered by other CLECs with Ameritech. Notification of known problems would allow CLECs to avoid those problems or utilize already developed work-arounds, rather than each carrier having to work out each problem separately. LCI also has received minimal clarification or explanation of resolutions to problems in writing

b. PacBell's Failures

i. Lack of an Adequate Ordering System and Dedication of Resources

LCI has made repeated requests to PacBell that it provide LCI with an EDI interface to PacBell's OSS. [See LCI Letters] Despite those repeated requests, the *only* access that PacBell has provided to its OSS is via a facsimile machine, which in itself is inadequate, or a complex proprietary Resale Mechanized Interface (RMI). [See 1/30/97 LCI Letter and McCain Letter ("often it takes six-plus attempts to fax to PacBell due to fax busy signals" which exacerbates the conclusion that "competition is on the fax room floor of PacBell"); 4/24/97 PacBell Letter ("EDI is not available from PacBell")] LCI believes that, after PacBell receives an order via the RMI interface from LCI, the order is printed and processed manually rather than being electronically and automatically entered into the appropriate PacBell Ordering System. This "access" is inadequate both in terms of timeliness and accuracy and falls far short of the nondiscriminatory access mandated by the Order and the Act.

In some instances, LCI has found that CSRs do not accurately reflect the services and features a customer actually is using. Orders based upon these CSRs are then rejected by PacBell, even though the order is based upon the CSR provided by PacBell. PacBell's

processing of firm order confirmations and completion notices is just as bad, and does not come close to the four-hour turnaround promised in the CLC Handbook. Instead of four-hours, orders typically have been submitted for over nine days before a confirmation is received. As of May 21, 1997, over 40% of LCI orders were submitted 9 days ago, and LCI has yet to receive a PacBell confirmation. The longest confirmation was received after 31 days, submitted on March 11, 1997 with confirmation received on April 11, 1997.

PacBell has conceded that it does not provide parity of access: We are "able to offer a shorter interval [to our end users] than the LISC can [offer to CLECs] because [we] are on the phone with the end user and making the -- completing the transaction between [ourselves] and the end user at that point in time"). [Wood at 53; see also Wood at 38-39 (PacBell itself has determined that it lacks the "mechanization and staffing" to meet its promised four-hour interval for submitting firm order commitments of resale orders; and PacBell has known for months, based on its own review of market data, that even a 24-hour turnaround "was not going to be adequate to meet [CLEC's] needs" to compete at parity)]

PacBell's failures are magnified because of its unwillingness to provide sufficient resources and staffing at its Local Interconnection Service Center (LISC) to address the problems and to effectuate the ordering process. [See 4/3/97 and 4/9/97 LCI Letters; see also Sinn at 28 (PacBell vice-president conceded that there was inadequate staffing at the LISC)]. Similarly, it has taken numerous attempts for LCI just to complete facsimiles of CSR requests and orders. At times, even after LCI successfully completes a facsimile of a CSR request, PacBell contends the CSR request never was received. [McCain Letter] And, when LCI calls PacBell's LISC 800 number to inquire as to the status of an order, LCI has frequently been put on hold for an extended time; other times, the 800 number has remained unanswered after numerous rings.

Even when LCI successfully reaches someone at PacBell's LISC, the service representative often cannot locate the orders at issue, and cannot answer LCI's questions, but instead refers LCI back to PacBell's Handbook, which itself does not have the answers. [See 4/3/97 LCI Letter]

When an LCI customer recently was disconnected, "[d]uring the first seven hours of LCI urging PacBell to reinstate the customer's service, the LISC representative did little more than inform us, that for various procedural reasons, PacBell could not respond immediately to resolve the problem," giving as "reasons," "the inability of the LISC to locate the order, and repeated instruction by various individuals at PacBell to wait for the order, entered initially, 'to work its way through the system' on its own." [See 4/9/97 LCI Letter and accompanying chronology] This problem with disconnects is continuing as a result of "PacBell's incorrect entry of 'assume-as-is' service order," and resolution has been stymied due to PacBell's "ineffective escalation process": "It is bad enough that PacBell is incorrectly provisioning the simplest of orders and causing severe outages for LCI's new customers," "[t]his situation is made worse when PacBell subsequently refuses to make timely corrections of these errors." [4/23/97 LCI Letter]

PacBell sets the level of staffing for its LISC in part on the basis of forecasts of the expected rate of migration of existing PacBell customer lines to resale lines offered through the CLECs. [Schwartz at 87 ("[I] know this forecast goes into the staffing requirement process")] Throughout 1996 and into the first quarter of 1997, PacBell's resale migration forecaster was completely unaware that resale orders have been backing up in the LISC and that the existing level of staffing is unable to keep up notwithstanding overtime and weekend efforts. [Schwartz at 58 (PacBell's forecaster "did not consider the volume of orders that had been submitted to the LISC," "had no discussions with people responsible for the LISC as to any backlog of orders," and "did not consider that the LISC capacity might act as an impediment upon the actual lines

that were in-service")] By the third-quarter of 1996, PacBell's management had recommended "the need for 742 employees in the LISC" by "year-end '96, [or] within the first quarter '97," and yet PacBell has 300 or fewer employees in the LISC. [Wood at 126] PacBell has told LCI that they have hired many new employees in the LISC, however, this certainly has added to the large deviation in the knowledge and quality of service provided by PacBell's customer service reps. The fluctuation in service highlights the apparent lack of standard procedures for processing orders.

PacBell's processing of orders also is rife with errors. By its own admission, PacBell's manual rejection rate of CLEC resale orders is "high" -- PacBell has rejected orders with minor variations in them such as a middle initial of a name being left out or the word "avenue" in the street address appearing as the abbreviation "av." [Fischer at 75] LCI frequently receives confirmations with wrong customer names, phone numbers and account numbers. Similarly, during a one-week period in February 1997, approximately 9% of the completion notices received by Sprint from PacBell contained errors, including incorrect phone numbers, missing or incorrect vertical features and missing or incorrect customer interexchange carrier selections. [Sprint Complaint]

PacBell also does not provide sufficient information to allow LCI to generate accurate and timely bills to its customers. Among other failures, PacBell does not make available its USOC codes. LCI requires the USOC codes to create internal billing codes that can be tied back to PacBell's billing codes for auditing purposes. LCI cannot rely on the tariff to obtain the USOC codes because not all USOCs are found in the tariff. [See 2/4/97 LCI Letter] LCI's ability to accurately and timely bill its customers also is being impeded because PacBell has not been providing LCI with timely information on daily usage files or terminating numbers for all

local (Zone 1 & Zone 2) usage. As of May 21, 1997 LCI receives daily usage information from PacBell an average of 5-8 days after the call was made. This information is essential if LCI is to have parity in billing and auditing capabilities. [See 2/19/97, 4/3/97 and 4/29/97 LCI Letters] Also, PacBell concedes that its service representatives "would have access to" "some information" "that would not be passed on to the CLC," including "PIC information." [Cal PUC Workshop at 1289-90 (Chamberlin)]

ii. Lack of an Electronic Interface.

PacBell will not make an electronic data interface (EDI) available until the third quarter of 1997 -- at the earliest. [McCain Letter; 4/24/97 PacBell Letter] According to PacBell at their workshop in early April, even when implemented, this interface will be gateway and will not be linked to internal applications. Instead, PacBell is offering a proprietary mechanized interface that will be obsolete within months, and even this system, according to AT&T, can process no more than 450 orders per day. [McCain Letter; see also Mallen at 57 (PacBell official: While "[I] don't know how many days behind the LISC is," "I know there is a fairly substantial backlog" as of April 1997)] And even where a CLEC puts its orders in electronically, it is "true," as PacBell concedes, a PacBell employee still would have to retype information manually into PacBell's system. [Sinn at 34-35; Moir at 15-16 (PacBell is processing orders no faster than 48-to-72 hours instead of the promised 4 hours in large part because ordering is "a fully manual process in the LISC," which means "that the orders do not flow through. There's quite a bit of typing, frankly, that needs to be done"; and the electronic ordering system that PacBell is currently putting in place is only partly mechanized so that, when a CLEC "transmits the information to Pacific Bell via NDM electronically," "rather than going directly in electronic format into Pacific Bell's system, it doesn't do that" -- "[i]t has to be re-entered manually")]

The shortcomings of PacBell's LISC are evident from the acknowledgments of its business manager (Long). [Long at 6-8] She testified that there are "[p]robably a hundred different systems" used by the LISC to accomplish a migration order, and even she does "[n]ot [know] all of them." [Long at 62; see also Long at 63-108 for a discussion about the tortured route a migration order must travel to be processed in PacBell's LISC] And in describing PacBell's use of fax machines as of late 1996, she explained as follows: "We [PacBell] have five fax machines in hunting with 500-page memory, and every fax machine was maxed out to the point where we had to shut them off at 5:00 o'clock. We had to hire an individual to monitor the fax machines and keep taking the paper off of the machines, because if they didn't, paper would overflow. And that individual would literally, every couple of minutes take and empty one machine, and take it to the command center, and grab more and take it to the command center. And it was a full-time job that kept one individual busy, just taking paper and stacks off of the fax machine all day from 8:00 to 5:00." [Long at 171-72; see also 4/24/97 PacBell Letter ("The LISC still has a backlog")]

iii. Lack of an Operationally Ready System

According to Sprint, PacBell "has failed to process the modest number of customer orders that Sprint has submitted in a timely and accurate manner," with the result that "Sprint cannot guarantee customers that they will in fact be transferred to Sprint, or receive new service installation under Sprint's brand, within committed time frames," nor can Sprint "validate that service has been switched over or initiated so that it can begin billing the customer." [Sprint Complaint at 2] From December 16, 1996 to February 6, 1997, only an average of 11.4% of Sprint's order confirmations were processed within the 24-hour time period to which PacBell has committed. [Sprint Complaint at 11] Sprint consistently experienced backlogs of 150-200 firm

order commitments and completion notices during January and February 1997. [Sprint Complaint at 13] PacBell's "LISC can currently only handle 1200 CLC orders per business day," because PacBell "has not adequately staffed its LISC operation . . . and has not adequately designed Sprint-specific processes to ensure that Sprint's customers can be served 'at parity' compared to the Pacific Bell customers," which "is far short of the promised levels and certainly not sufficient to meet the CLC industry's requirements." [Sprint Complaint at 12] Such "chronic performance failures . . . ha[ve] caused significant problems for Sprint's customers and ha[ve] frustrated the expansion of Sprint's California local service offering." [Sprint Complaint at 2] PacBell concedes that resale "orders are coming in at a rate that exceeds Pacific's ability to timely process them" [Villagomez at 66], which is not surprising because, as PacBell further acknowledges, even "[i]f it was a simple residence order, service reps basically could do anywhere between 8 and 12 orders a day" [Long at 156-57].

According to MCI, "PacBell has failed to provide migration and billing service to MCI that is either reasonable or equal in quality to that it provides to its end users." [MCI Complaint at 14] Notwithstanding that PacBell "vowed to provide firm order commitment ('FOC') within 4 hours of receipt of each order, to migrate the customer within 3 days of issuance of the FOC, and to establish dial tone for new services within 5 days," "PacBell has never met any of these commitments." [MCI Complaint at 14; see also Sinn at 17-18 (PacBell official conceded that PacBell was not issuing FOCs within the promised 4 hours) and Stankey at 116, 131 (PacBell official conceded continuing problems with lost dial tone and timely supplying notices of completion)] Thus, three weeks after MCI entered the local market, "notices of completion were outstanding on 38% of the orders MCI had submitted to PacBell," and as of December 11, 1996, notices of completion were "outstanding on 2,119 of the orders" that MCI had transmitted to

PacBell, which orders were all between 4 to 12 weeks old. [MCI Complaint at 14] In addition, among other failures, PacBell:

(i) "has unreasonably withheld customer service information from MCI" by requiring "a prospective customer's written 'letter of authorization' to PacBell before it will provide MCI with the customer's CSR (customer service record);

(ii) "[d]espite MCI's documented requests for electronic bonding and PacBell's own admission that electronic bonding would eliminate the potential for lost dial tone, dropped custom calling services, order delay and loss of orders, PacBell has not begun negotiations with MCI over the design, specifications, or deployment of an automated on-line service ordering and implementation scheduling system for use by MCI";

(iii) "by continuing to utilize its own on-line provisioning system to serve customers who elect PacBell local exchange service, PacBell places MCI at a further competitive disadvantage in relation to PacBell"; and

(iv) "PacBell has refused to treat MCI's requests for customer service changes under the standard established by its filed end-user tariffs."

[MCI Complaint at 18, 20-22]

According to AT&T, PacBell "has devoted such limited resources to the handling of resale orders from competitive carriers that," "[e]ven if Pacific's systems work flawlessly and at full capacity, Pacific will insure that it retains over 93% of its local market at January 1, 1998, no matter how low the prices of its competitors nor how attractive their service options." [AT&T Complaint at 2, 11-17 (describing PacBell's failure to devote sufficient resources and the resulting capacity constraints)] Further, PacBell's "internal record keeping system will result in a substantial number of customers who switch their service to a competitive resale carrier having their service disconnected." [AT&T Complaint at 1, 9 (describing the association of CRIS and CABS ordering by PacBell that causes this problem)] Despite repeated requests from AT&T to "fix its processes," PacBell "has not made a firm commitment to do so in a timely manner." [AT&T Complaint at 10]

AT&T further reports that its California "consumers and businesses are experiencing provisioning intervals (time to get service installed) that are up to three to four times longer than the intervals experienced by Pacific's retail customers. This condition requires AT&T to quote its customers 10 to 15 day provisioning intervals to compensate for the significant order backlog AT&T currently has with Pacific." [Huels at 2 (on 4/3/97, "AT&T had over 11,500 orders backlogged in the Pacific provisioning process")] Nevertheless, "there is no date in the foreseeable future by which Pacific will have an unconstrained system, and the backlog will continue to grow until at least October, 1997 if not later," and "Pacific has no current estimate as to when, after October, 1997, it will be able to clear up the backlog of orders from CLCs." [Collier at 2; Stankey at 107-09, 111-13, 136-37 (PacBell's projected "crossover date" for being able to handle 4,000 orders per day is October 1997, provided various "assumptions" are met, such as "that a release we [PacBell] have had scheduled in May, that provides some degree of flow-through for migration orders, be implemented" and "assumptions around work processing times" and forecast accuracy)] Also, AT&T's "local service customers have had their service disconnected for varying periods of time" [Huels at 2] and "are also experiencing high rates of error in the provisioning of service," including "features not installed as ordered, features installed that were not ordered, and hunting features not installed correctly." [Huels at 3 (as of 4/6/97, "there were over 3,100 unresolved discrepancies"); see also Collier at 3-19 (detailing PacBell's specific time interval and other commitments and its failures to meet those commitments)] And yet, PacBell "has yet to demonstrate that it will devote the necessary resources, i.e., trained personnel, effective processes, and workable systems, to fix the problems and meet the demand from its CLC customers." [Collier at 20-31 (explaining in detail PacBell's lack of commitment)]